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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/783,655

02/20/2004

Jeffrey Yass

192154

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09/15/2009

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EXAMINER

SHAIKH, MOHAMMAD Z

ART UNIT

PAPER NUMBER

3696

MAIL DATE

DELIVERY MODE

09/15/2009

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/783,655	<b>Applicant(s)</b> YASS ET AL.	
	<b>Examiner</b> MOHAMMAD Z. SHAIKH	<b>Art Unit</b> 3696	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 17 June 2009.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-42 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-42 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

### **DETAILED ACTION**

1. This Office Action is in response to an AMENDMENT entered 06/17/09 for patent application 10/783,655

### ***Status of Claims***

2. Claims 1-42 are pending in this application.

3. Claims 1, 22, 37, 38 have been amended without prejudice or disclaimer.

### ***Claim Rejections- 35 U.S.C § 102***

4. The 35 U.S.C 102(b) rejections for claims 1-3, 7-15, 18-19, 22-31, 33, 35, 37-39 has been withdrawn.

### ***Claim Rejections- 35 U.S.C § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-4, 10-12, 15-22, 27, 30-33, 36, 39 are being rejected under 35 U.S.C 103(a) as being unpatentable over US 2002/0161684 to Whitworth in view of US Patent 5,806,048 to Kiron et al, herein Kiron.

Regarding claim 1, Whitworth discloses a system for transacting securities, comprising: a plurality of securities issued by a single issuer ([0070]); Whitworth further discloses wherein at least one type of the plurality of securities are publicly traded

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securities of the single issuer ([0015]). However Whitworth does not disclose a securities combine comprising a computer aggregating the securities in at least one tradable bundled instrument security for transaction. Kiron discloses securities combine comprising a computer aggregating the securities in at least one tradable bundled instrument security for transaction (Abstract). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include a securities combine comprising a computer aggregating the securities in at least one tradable bundled instrument security for transaction. One of ordinary skill in the art would have been motivated to include a securities combine comprising a computer aggregating the securities in at least one tradable bundled instrument security for transaction in order to ensure that the entire process of transacting securities is completed in an efficient manner.

Regarding claim 2, Whitworth discloses the method of claim 1. Whitworth further discloses wherein the securities comprise any of debt, equity, and hybrid securities. ([0067]).

Regarding claim 3, Whitworth discloses the system as recited in claim 1. However Whitworth does not disclose bundling rules that instruct the security combine to bundle the securities when creating the bundled instrument security. Kiron discloses bundling rules that instruct the security combine to bundle the securities when creating the bundled instrument security (Abstract). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include bundling rules that instruct the security combine to bundle the securities when

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creating the bundled instrument security. One of ordinary skill in the art would have been motivated to include bundling rules that instruct the security combine to bundle the securities when creating the bundled instrument security in order to ensure that only the securities which will maximize the returns will be selected.

Regarding claim 4, Whitman discloses the system as recited in claim 2. Whitman further discloses wherein the security combine is a trust operated under the guidance of the trustee ([0079]).

Claim 10 is being rejected using the same rationale as claim 2.

Regarding claim 11, Whitworth discloses the system as recited in claim 1. However Whitworth does not disclose wherein the system operates in a computing environment such that the security combine comprises a computing application. Kiron discloses wherein the system operates in a computing environment such that the security combine comprises a computing application (column 5: lines 48-54). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include wherein the system operates in a computing environment such that the security combine comprises a computing application. One of ordinary skill in the art would have been motivated to include wherein the system operates in a computing environment such that the security combine comprises a computing application in order to ensure that the entire process of transacting securities is completed in an efficient manner.

Claim 12 is being rejected using the same rationale as claim 2.

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Regarding claim 15, Whitworth discloses the system as recited in claim 12.

Whitworth further discloses wherein the selected multiple is based on at least one factor comprising any of current share price, market capitalization, trading volume, listing venue, and investor interest ([0075]).

Regarding claim 16, Whitworth discloses the system as recited in claim 1.

However Whitworth does not disclose wherein the bundled security is sold to, or redeemed by investors in accordance with at least one option position. Kiron discloses wherein the bundled security is sold to, or redeemed by investors in accordance with at least one option position (column 7: lines 58-62). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include wherein the bundled security is sold to, or redeemed by investors in accordance with at least one option position. One of ordinary skill in the art would have been motivated to include wherein the bundled security is sold to, or redeemed by investors in accordance with at least one option position in order to ensure that investors have multiple means to realize a profit.

Regarding claim 17, Whitworth discloses the system as recited in claim 1.

However Whitworth does not disclose wherein a dollar value spread is tighter in the bundled instrument security than in the ones of the plurality of securities. Kiron discloses wherein a dollar value spread is tighter in the bundled instrument security than in the ones of the plurality of securities (column 3: lines 41 - 45). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include wherein a dollar value spread is tighter in the bundled

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instrument security than in the ones of the plurality of securities. One of ordinary skill in the art would have been motivated to include wherein a dollar value spread is tighter in the bundled instrument security than in the ones of the plurality of securities in order to ensure that the investor realizes a cost savings when the securities are bundled.

Regarding claim 18, Whitworth discloses the system as recited in claim 1.

Whitworth further discloses wherein receipt from an investor of the bundled instrument security comprises redemption of the bundled instrument security (claim 15).

Regarding claim 19, Whitworth discloses the system of claim 1. Whitworth further discloses wherein said bundled instrument security comprises a cash distribution issued on the units of said plurality, wherein the cash distribution is indirectly paid to at least one of the investors (claim 15).

Regarding claim 20, Whitworth discloses the system as recited in claim 1.

However Whitworth does not disclose a first fee that is charged when creating the bundled instrument security. Kiron discloses a first fee that is charged when creating the bundled instrument security (column 4: lines 28-31). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include a first fee that is charged when creating the bundled instrument security. One of ordinary skill in the art would have been motivated to include a first fee that is charged when creating the bundled instrument security in order to ensure that the issuer of the bundled instrument security is properly compensated.

Claim 21 is being rejected using the same rationale as claim 20.

Claim 22 is being rejected using the same rationale as claim 1.

Regarding claim 27, Whitworth discloses the method as recited in claim 22. However Whitworth does not disclose selling the bundled instrument security to at least one investor at a price based on a multiple of at least one of the plurality of the securities. Kiron discloses selling the bundled instrument security to at least one investor at a price based on a multiple of at least one of the plurality of the securities (column 6: lines 3-8). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include selling the bundled instrument security to at least one investor at a price based on a multiple of at least one of the plurality of the securities. One of ordinary skill in the art would have been motivated to include selling the bundled instrument security to at least one investor at a price based on a multiple of at least one of the plurality of the securities in order to ensure that the investor receives the best possible price for the bundled security.

Claim 30 is being rejected using the same rationale as claim 18.

Regarding claim 31, Whitworth discloses the method as recited in claim 30. Whitworth further discloses purchasing the expelled at least one security of the plurality of securities ([0021], [0049]).

Claim 32 is being rejected using the same rationale as claim 16.

Claim 33 is being rejected using the same rationale as claim 3.

Claim 36 is being rejected using the same rationale as claim 20.

Claim 39 is being rejected using the same rationale as claim 2.



7. Claims 5-9, 23-26, 34-35 are being rejected under 35 U.S.C 103(a) as being unpatentable over Whitworth in view of Kiron and further in view of US 2004/0002910 to Mizukami.

Regarding claim 5, Whitworth discloses the system as recited in claim 4. However Whitworth does not disclose wherein the trustee is a bank. Mizukami discloses wherein the trustee is a bank ([0006], [0032]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include wherein the trustee is a bank. One of ordinary skill in the art would have been motivated to include wherein the trustee is a bank in order to ensure that all transactions are conducted by a financial entity which has the necessary assets in reserve to conduct the transactions.

Regarding claim 6, Whitworth discloses the system as recited in claim 4. However Whitworth does not disclose wherein the bundled instrument Security is represented by depositary receipts issued by the trust and administered by the trustee. Mizukami discloses wherein the bundled instrument Security is represented by depositary receipts issued by the trust and administered by the trustee ([0095]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include wherein the bundled instrument Security is represented by depositary receipts issued by the trust and administered by the trustee. One of ordinary skill in the art would have been motivated to include wherein the bundled instrument Security is represented by

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depository receipts issued by the trust and administered by the trustee in order to ensure that all transactions are conducted by a financial entity which has the necessary assets in reserve to conduct the transactions.

Regarding claim 7, Whitworth discloses the system as recited in claim 6. Whitworth further discloses wherein the depository receipts are traded on public securities marketplaces, ECNS, and exchanges ([0011], [0029]).

Claim 8 is being rejected using the same rationale as claim 7.

Regarding claim 9, Whitworth discloses the system as recited in claim 1. However Whitworth does not disclose wherein the securities are of the same type. Kiron discloses wherein the securities are of the same type (column 2: lines 64-67; column 3: lines 1-9). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include wherein the securities are of the same type. One of ordinary skill in the art would have been motivated to include wherein the securities are of the same type in order to ensure that a maximum return is achieved by the investors.

Claim 23 is being rejected using the same rationale as claim 7.

Claim 24 is being rejected using the same rationale as claim 15.

Claim 25 is being rejected using the same rationale as claim 10.

Claim 26 is being rejected using the same rationale as claim 10.

Claim 34 is being rejected using the same rationale as claim 6.

Claim 35 is being rejected using the same rationale as claim 7.

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8. Claim 13, 28 is being rejected under 35 U.S.C 103(a) as being unpatentable over Whitworth in view of Kiron and further in view of US 2002/0082979 to Sands et al, herein Sands.

Regarding claim 13, Whitworth discloses the system as recited in claim 12. However Whitworth does not disclose wherein the selected multiple has a value in a selected range in compliance with securities regulations. Sands discloses wherein the selected multiple has a value in a selected range in compliance with securities regulations ([0005]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include wherein the selected multiple has a value in a selected range in compliance with securities regulations. One of ordinary skill in the art would have been motivated to include wherein the selected multiple has a value in a selected range in compliance with securities regulations in order to ensure that all trades abide by the rules and regulations with the Securities and Exchange Commission.

Claim 28 is being rejected using the same rationale as claim 13.

9. Claim 14,29 is being rejected under 35 U.S.C 103(a) as being unpatentable over Whitworth in view of Kiron and further in view of US 2001/0037277 to Willis et al, herein Willis.

Regarding claim 14, Kiron discloses the system as recited in claim 12. However Kiron does not disclose wherein the selected multiple changes responsive to one or more changes affecting the plurality of securities comprising any of a security split, a

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reverse security split, and a reorganization event. Willis discloses wherein the selected multiple changes responsive to one or more changes affecting the plurality of securities comprising any of a security split, a reverse security split, and a reorganization event ([0006]). Therefore it would have been obvious to one ordinary skill in the art at the time of the invention to modify Whitworth's invention to include wherein the selected multiple changes responsive to one or more changes affecting the plurality of securities comprising any of a security split, a reverse security split, and a reorganization event. One of ordinary skill in the art would have been motivated to include wherein the selected multiple changes responsive to one or more changes affecting the plurality of securities comprising any of a security split, a reverse security split, and a reorganization event in order to ensure that the investor is aware of different scenarios which may affect the price of the bundled security.

Claim 29 is being rejected using the same rationale as claim 14.

10. Claims 37-38 are being rejected under 35 U.S.C 103(a) as being unpatentable over Kiron in view of Whitworth.

Regarding claim 37, Kiron discloses a first means for applying bundling criteria comprising any of security price, market capitalization, trading volume, a listing venue of at least one of a plurality of securities, and investor interest in at least one of a plurality of securities at least one type of which is a publicly traded security (column 8: lines 35-37); second means for bundling a plurality of single issuer, uniform typed units of the at least one publicly traded security into a tradable bundled instrument security in accordance with the bundling criteria while permitting other of the uniform typed units of

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the at least one publicly traded security to remain publicly traded (column 8: lines 50-51); third means for selling the bundled security to at least one investor at a price that is a predetermined multiple of at least one unit of the at least one security (column 6: lines 3-8). However Kiron does not disclose a fourth means for redeeming the bundled instrument security from at least one investor. Whitworth discloses a fourth means for redeeming the bundled instrument security from at least one investor (claim 15).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Kiron's invention to include a fourth means for redeeming the bundled instrument security from at least one investor. One of ordinary skill in the art would have been motivated to include a fourth means for redeeming the bundled instrument security from at least one investor in order to ensure that the investor is able to use the dividend funds however they wish.

Claim 38 is being rejected using the same rationale as claim 37.

11. Claim 40 is being rejected under 35 U.S.C 103(a) as being unpatentable over Whitworth in view of Kiron and further in view of US 2002/0087373 to Dickstein et al, herein Dickstein and further in view of US 2002/0046154 to Pritchard.

Regarding claim 40, Whitworth discloses the security transaction system of claim 39. However Whitworth does not disclose wherein the equity securities are selected from the group consisting of common stock, preferred stock, convertible or exchangeable preferred and preference stock, warrants, options, American Depositary Receipts, and interests in limited partnerships and limited liability companies. Dickstein

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discloses wherein the equity securities are selected from the group consisting of common stock, preferred stock, convertible or exchangeable preferred and preference stock, warrants, options ([0027]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include wherein the equity securities are selected from the group consisting of common stock, preferred stock, convertible or exchangeable preferred and preference stock, warrants, options. One of ordinary skill in the art would have been motivated to include wherein the equity securities are selected from the group consisting of common stock, preferred stock, convertible or exchangeable preferred and preference stock, warrants, options in order to ensure that all different types of securities can be used in the transaction system. Pritchard discloses American Depositary Receipts, and interests in limited partnerships and limited liability companies ([0008]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include American Depositary Receipts, and interests in limited partnerships and limited liability companies. One of ordinary skill in the art would have been motivated to include American Depositary Receipts and interests in limited partnerships and limited liability companies in order to ensure that the equity securities encompass all types of instruments.

12. Claims 41-42 are being rejected under 35 U.S.C 103(a) as being unpatentable over Whitworth in view of Kiron and further in view of US 2002/0087373 to Dickstein

Regarding claim 41, Whitworth discloses the security transaction of claim 39. However Whitworth does not disclose wherein the debt securities

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comprise any of unsecured notes and debentures, secured notes, mortgage bonds, collateral trust bonds, convertible and exchangeable bonds, notes and debentures.

Dickstein discloses unsecured notes, secured notes, and notes ([0027]). Therefore it would have been obvious to one of ordinary skill in the art to modify Pritchard's invention to include unsecured notes, secured notes, and notes. One of ordinary skill in the art would have been motivated to include unsecured notes, secured notes, and notes in order to ensure that all types of instruments are included.

Regarding claim 42, Whitworth discloses the security transaction system of claim 39. However Whitworth does not disclose wherein the hybrid securities comprise convertible notes. Dickstein discloses wherein the hybrid securities comprise convertible notes ([0027]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Whitworth's invention to include wherein the hybrid securities comprise convertible notes. One of ordinary skill in the art would have been motivated to include wherein the hybrid securities comprise convertible notes in order to ensure that all types of securities are available to the investor.

### **RESPONSE TO ARGUMENTS**

1. Applicant's arguments with respect to claims 1-42 have been considered but are moot in view of the new ground(s) of rejection.



### **CONCLUSION**

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to **MOHAMMAD Z. SHAIKH** whose telephone number is (571)270-3444. The examiner can normally be reached on Monday-Friday (7:30-5); alt Fridays.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tom Dixon can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/M. Z. S./  
Examiner, Art Unit 3696  
9/8/2009

Mohammad Z Shaikh  
Examiner  
Art Unit 3696

**/Daniel S Felten/  
Primary Examiner, Art Unit 3696**